

Voluntary - Public

**Clearance Office:** Office of Global Analysis (OGA)

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## Malaysia

**Post:** Kuala Lumpur

## Update (April)

### Report Categories:

Oilseeds and Products

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### Report Highlights:

Malaysia's crude palm oil (CPO) production rose 7.4 percent to 1.3 MMT in March. Despite a rebound in CPO output, strong overseas demand reduced stocks by 13 percent to 1.4 MMT at the end of March. CPO prices rose RM2,434/MT in April in response to lower stocks and tighter world supply of edible.

### Executive Summary:

#### Executive Summary

#### Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production rose 7.4 percent to 1.3 MMT in March 2009. Peninsular Malaysia's production increased by 4.4 percent while East Malaysia's output rose 12 percent. Compared to March 2008, output during March 2009 was 1.5 percent higher. The palms are entering a seasonal uptrend in output phase and Post expects CPO output to increase to 4.4 TMT during Apr-Jun period. The uptrend is likely to continue into the Jul-Sep quarter.

## Price

In anticipation of lower stocks and tighter world supply of edible oils, local delivered CPO rose from RM2,148/MT at the beginning of April to RM2,668/MT towards the end of the month. Overall, the monthly average delivered CPO price increased from RM2,027/MT in March to RM2,434/MT in April. For comparison, the average CPO price for April 2008 was RM3,423/MT. Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price rose from US\$577/MT in March to US\$581/MT in April.

## Stocks

Despite a rebound in CPO production, strong overseas demand reduced stocks by 13 percent to 1.4 MMT at the end of March. This situation is expected to continue into the Apr-Jun period and the stock level to drop further to 1.3 MMT by the end of June.

## Trade

A preliminary official report shows PO exports rose marginally to 1.3 MMT in March. Cargo surveyor Societie Generale reported Malaysian palm oil exports rose about one percent to 748 TMT during April 1 – 20 compared to March 1 – 20.

Exchange Rate: RM3.645 (Mar 31, 2009); RM3.614 (Apr 27, 2009)

## Other Relevant Reports

Oilseeds & Products Annual (AGR Number MY9008)

<http://www.fas.usda.gov/gainfiles/200903/146337529.doc>

Oilseeds & Products Update (AGR Number MY9013)

<http://www.fas.usda.gov/gainfiles/200904/146347676.doc>

## General Information:

### Annual Situation

PS&D table for palm oil remains unchanged since the submission of the Oilseed Update Report MY9013.

	Revised 2007/08	Prelim 2008/09	Forecast 2009/10
(1,000 MT)			
Beg Stock	1,462	1,951	1,800

Production	17,567	17,900	18,200
Imports	462	700	700
Total Supply	19,491	20,551	20,700
Exports	14,644	15,755	15,900
Domestic Use	2,896	2,996	3,200
Ending Stock	1,951	1,800	1,600

### Quarterly Production for Palm Oil

	2008 1/	2009 2/	2008 1/	2009 2/
	Jan-Mar	Jan-Mar	Apr-Jun	Apr-Jun
(1,000 MT)				
Beg Stocks 3/	1,682	1995	1,825	1,364
Prod- Pen. Mal	2,305	2,192	2,432	2,525
- East Mal	1,642	1,600	1,823	1,860
- Total	3,947	3,792	4,255	4,385
Imports	157	73	139	200
Total Supply	5,786	5,860	6,219	5,949
Exports 4/	3,351	3,862	3,663	3,900
Dom Disap 5/	610	634	552	744
End Stocks	1,825	1,364	2,034	1,305

1/ Revised;

2/ Forecast;

3/ Stocks include crude and refined for all Malaysia;

- 4/ Exports exclude shipments of fatty acid oil distillate and all intra-Malaysia trade;  
5/ Residual

### Prices

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Apr 2008	3,423	1,255	1,257	1,040
May	3,513	1,219	1,243	998
Jun	3,595	1,184	1,234	977
Jul	3,455	1,153	1,183	950
Aug	2,674	878	916	715
Sep	2,350	743	768	598
Oct	1,752	538	580	422
Nov	1,528	483	512	347
Dec	1,562	489	526	331
Jan 2009	1,842	575	609	438
Feb	1,898	583	600	430
Mar 2/	2,027	577	613	446
Apr (till 23)	2,434	707	742	594

- 1/ Prices are for West Malaysia only (since October 2006),  
2/ Revised

Exchange Rate: RM3.645 (Mar 31, 2009); RM3.614 (Apr 27, 2009)

**Production:****Production**

	2008	2008	2009	2009	2009
	Mar	Jan-Mar	Feb /1	Mar	Jan-Mar
(1000 MT)					
CPO:					
Pen. Malaysia	787	2,305	712	746	2,192
East Malaysia	507	1,641	476	533	1,601
- Total /1	1,294	3,946	1,188	1,276	3,793
Palm Kernel: Malaysia	353	1,049	319	345	1,017
Palm Kernel Oil: Malaysia	165	495	160	161	486
Palm Kernel Meal: Malaysia	184	554	176	178	537

1/ Revised

**Stocks:****Stocks**

	2008	2008	2008	2009
	Mar	Jan	Feb 1/	Mar
(1,000 MT)				
Crude P. Oil	987	1,067	909	652

Processed PO	837	762	657	711
- Total PO	1,824	1,829	1,566	1,363
Palm Kernel	148	138	115	109
P. Kernel Oil	322	358	334	310

1/ Revised